

April 1981

BONWIT'S BACK

To launch new
Manhattan flagship

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Chain Store Age EXECUTIVE

with Shopping Center Age
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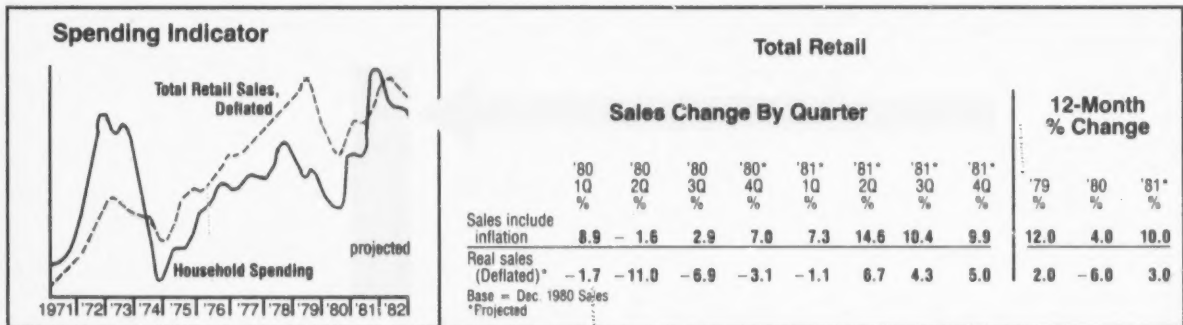


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Drug sales pace retail by wide margin



Last month, the Econocycle composite (*below*) indicated that drug retailing would continue to set the pace for all retail sectors this year.

With final December figures in place, the forecast model confirms that drug stores will outdistance even the high-flying specialty-ap-

parel retailers over the next three quarters, with a solid 4% real gain for the year (or 11%, including inflation).

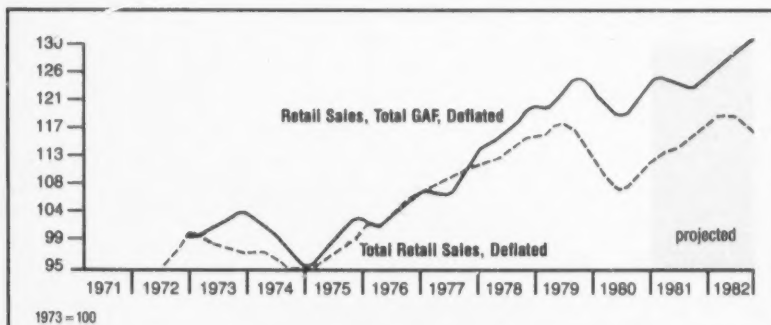
General merchandise/apparel and furniture-appliance retailers are also expected to roll up impressive gains as the year progresses.

And total retail sales are set for a continuing rise through the next two quarters (*chart above*) with real gains averaging about 5%—heading for an overall increase of 3% for 1981.

The L/F Econocycle projection hints at a possible decline or at least an easing of these gains in the fourth quarter, however. Based on the L/F composite, which has historically been a volatile indicator of major upward or downward shifts in sales direction, this trend should be closely watched by all retail sectors as the year matures.

● From all present indicators, food sales (supermarkets, groceries) won't match the general strength in this year's retail market, but will recover enough to end the year down only marginally (-1%).

● This compares with a sharp pickup in eating out (food service, restaurants) which will pick up vitality in the second quarter, on its way to a 2% increase for the calendar year.



Sales/Include Inflation % Change By Quarter										
	Total Retail Stores	Food Stores	Eating & Drinking	Building Materials Stores	Drug Stores	Furniture & Appliance Stores	Apparel Stores	General Merchandise Stores	GAF Stores	
1980	1Q	8.9	10.5	8.6	7.6	12.0	9.3	5.7	8.9	8.2
	2Q	-1.6	10.0	7.9	-8.9	10.9	1.4	6.5	4.8	4.5
	3Q	2.9	11.6	7.4	-9.2	10.1	-0.4	4.9	4.4	3.4
	4Q	7.0	10.4	6.6	-2.2	14.5	4.9	6.7	5.7	5.7
1981	1Q*	7.3	9.4	7.6	3.0	11.4	7.5	7.0	8.1	7.7
	2Q*	14.6	9.2	10.8	15.0	11.9	14.7	8.1	10.6	10.9
	3Q*	10.4	9.7	13.3	5.8	12.0	13.3	8.6	8.9	9.7
	4Q*	9.9	7.8	10.5	-3.1	8.4	12.4	8.5	5.7	7.6
% change 12 mos.	1979	12.0	11.0	9.0	14.0	9.0	14.0	9.0	9.0	10.0
	1980	4.0	10.0	7.0	-3.0	11.0	3.0	6.0	6.0	5.0
	1981*	10.0	8.0	10.0	3.0	10.0	11.0	8.0	8.0	7.0

Real Sales (Deflated)* % Change By Quarter										
	Total Retail Stores	Food Stores	Eating & Drinking	Building Materials Stores	Drug Stores	Furniture & Appliance Stores	Apparel Stores	General Merchandise Stores	GAF Stores	
1980	1Q	-1.7	5.3	-1.5	-2.1	3.9	3.8	1.0	1.7	2.0
	2Q	-11.0	4.6	-1.4	-17.8	1.8	-4.4	2.3	-2.4	-1.8
	3Q	-6.9	2.3	-1.7	-18.3	0.4	-7.1	0.4	-3.3	-3.3
	4Q	-3.1	-0.8	-2.3	-11.2	4.3	-1.3	1.8	-2.1	-1.1
1981	1Q*	-1.1	-3.1	-0.3	-4.1	2.5	-2.4	3.3	1.5	2.1
	2Q*	6.7	-3.7	2.4	8.7	4.8	9.5	3.5	4.3	5.2
	3Q*	4.3	-1.4	4.7	-0.5	6.7	8.5	4.1	2.9	4.3
	4Q*	5.0	1.8	2.9	-9.4	4.7	7.1	4.7	-0.5	2.2
% change 12 mos.	1979	2.0	1.0	-2.0	5.0	2.0	8.0	6.0	3.0	4.0
	1980	-6.0	3.0	-2.0	-12.0	2.0	-2.0	1.0	-2.0	-1.0
	1981*	3.0	-1.0	2.0	-2.0	4.0	6.0	4.0	2.0	2.0

Base = Dec. 1980 Sales *Projected

About Econocycle

The source for the L/F Econocycle index is the Econostat Applied Economic Research Unit of The Hague, Holland. This unit consults for Government and major corporations on three continents. Its projection techniques are based on the Econocycle System, a computerized system designed by the Econostat team of economists.

Because of the changing pace of inflation in the United States, retail sales figures in the L/F Econocycle projections have been adjusted to take account of inflation. All statistics are shown in *real* terms. The charts (*above, facing*) represent the trend cycle. The data has been seasonally adjusted and smoothed—and is updated each month. Source for current sales and the deflator series is the U.S. Department of Commerce.

Where an *Index Base* is indicated, the data is converted to index numbers, starting from a common base (=100) in order to establish meaningful performance comparisons.